

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF	)	
BEECH GROVE WATER SYSTEM, INC.	)	CASE NO. 92-232

O R D E R

On May 26, 1992, Beech Grove Water System, Inc. ("Beech Grove") filed with the Public Service Commission ("Commission") an application for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068. By letter dated June 10, 1992, the Commission informed Beech Grove that the filing was deficient and that the statutory time period in which the Commission must process purchased water adjustment cases would not begin to run until the deficiencies were cured. Beech Grove was requested to file the total gallons of water purchased and sold for a 12-month period ending within 90 days of the date of filing and revised tariff sheets showing the rates to be charged to its customers and the effective date of the rates. By letter dated July 1, 1992, the Commission again requested that the necessary information be filed.

On July 17, 1992, Beech Grove filed a revised application showing the gallons of water purchased and sold for the 12 months ending May 31, 1992, but did not file its revised tariff sheets with the proposed rates or effective date. On July 20, 1992, Beech Grove filed a letter stating its purchased water adjustment

would be .348 cents per thousand gallons and that the effective date of its rate increase was July 1, 1992. Beech Grove did not file a proposed tariff.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds:

1. Beech Grove purchases its water from West Daviess County Water District ("West Daviess"). Effective May 1, 1992, West Daviess increased its rate for water sold to Beech Grove from \$.956 to \$1.31 per 1,000 gallons.<sup>1</sup>

2. Beech Grove increased the rates to its customers effective July 1, 1992. Based on an average monthly usage of 5,000 gallons of water, the bills to Beech Grove's customers will increase by \$2.10 from \$12.40 to \$14.50, an increase of 16.9 percent.

3. During the 12 months ending May 31, 1992, Beech Grove purchased 2,505,960 gallons of water and sold 2,137,589 gallons.

4. Beech Grove's calculations are incorrect in that its proposed adjustment is based on the rate initially proposed by its supplier, West Daviess, in Case No. 92-200 rather than the rate ultimately approved by the Commission's Order of May 21, 1992 in that case.

5. The correct increase in purchased water costs is \$887, resulting in a purchased water adjustment of 42 cents per 1,000 gallons of water.

---

<sup>1</sup> Case No. 92-200, Purchased Water Adjustment of West Daviess County Water District.

6. The purchased water adjustment of 42 cents per 1,000 gallons as shown in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment proposed by Beech Grove is denied.

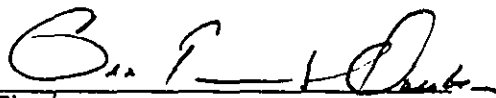
2. The purchased water adjustment of 42 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after July 1, 1992.

3. Within 30 days of the date of this Order, Beech Grove shall file its revised tariff setting out the rates approved herein.


4. Within 20 days of the date of this Order, Beech Grove shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 4th day of August, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-232 DATED 8/04/92

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### Usage Blocks

First	2,000	gallons
Next	4,000	gallons
Next	4,000	gallons
Next	30,000	gallons
Next	60,000	gallons
Over	100,000	gallons

#### Monthly Rates

\$7.66	Minimum Bill
2.28	per 1,000 gallons
1.83	per 1,000 gallons
1.58	per 1,000 gallons
1.48	per 1,000 gallons
1.38	per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-232 DATED 8/04/92

Calculations of Purchased Water Adjustment

Purchases: 2,505,960 gallons  
Sales: 2,137,589 gallons

Cost at changed rate:

2,505.960 m. gallons x \$1.31 = \$3,282.81

Less

Cost at base rate:

2,505.960 m. gallons x \$.956 = 2,395.70

Increase \$ 887.11

\$887.11 ÷ 2,137.589 m. gals. = \$.4150 or 42 cents per 1,000 gals.